

Drug Intelligence Brief



DRUG ENFORCEMENT ADMINISTRATION
INTELLIGENCE DIVISION

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GUATEMALA—COUNTRY PROFILE

DEA Office Responsible	Guatemala City Country Office
Population	10,928,000 in mid 1996
Area	108,889 square kilometers (42,042 square miles)
Capital	Guatemala City
Type of Government	Constitutional Republic

Guatemalan Top Government Officials

President	Alfonso Portillo
Vice President	Francisco Reyes
Minister of Government	Guillermo Ruiz Wong
Minister of National Defense	Juan de Dios Estrada Velasquez
FRC Director and Legislative President	Efraim Rios Montt



DRUG SEIZURES IN GUATEMALA 1996 - 2000

	1996	1997	1998	1999	2000
Cocaine (metric tons)	4.0	5.84	9.2	10.05	1.4
Marijuana (metric tons)	16.4	0.3	0.42	0.65	0.34
Heroin (kilograms)	7.8	16.2	3.65	529.3	
Opium Poppies (in hectares)	12	3	4.81	0.7	1.0
Cannabis Plants (in hectares)	213	59	58	52	32

Source: DEA Guatemala Country Office

HISTORICAL COMMENT

Guatemala's current President, Alfonso Portillo of the populist *Frente Republicano Guatemalteco* (FRG), was elected during the country's first peace-time election on December 26, 1999. Despite outgoing President Alvaro Arzu's achievement in negotiating a peace agreement after 30 years of civil war between the Guatemalan Government and local leftist guerillas, public dissatisfaction with the Arzu Administration's failure to control crime and to improve economic conditions, resulted in the overwhelming victory of the FRG and Alfonso Portillo. To the dismay of human rights activists, Efraín Ríos Montt, who had been military ruler of Guatemala during the early 1980s when numerous human rights violations took place, was elected to head the Guatemalan Congress and remained party president of the FRG.

During 2000, Guatemala faced significant social and economic problems including corruption, the legacy of military governments, and a society that had endured three decades of continuing violence following a 36-year civil war that officially ended in 1996. Demobilization of thousands of Guatemalan Army personnel and guerrilla fighters added to the nation's unemployment problems, and provided a large population vulnerable to international drug traffickers. During the late 1990s, the use of crack cocaine increased among urban youth; by 1999, local drug use had escalated into a significant social problem and a contributing factor to Guatemala's high crime rate.

OVERVIEW

Guatemala's location between Mexico and the other Central American countries makes it a major transit country for South American cocaine en route to Mexico, the United States, and Europe. Commercial tractor-trailers and private passenger vehicles are the primary means of overland transportation via the Pan-American Highway. Small, fixed-wing general aviation aircraft also are used extensively to transport multihundred-kilogram quantities of cocaine to Guatemala from Colombia and Panama. The large number of clandestine airfields and lack of an internal radar system make the use of aircraft very attractive to drug trafficking organizations.

These organizations also use containerized cargo aboard commercial maritime vessels sailing from ports on the Caribbean Sea and the Eastern Pacific Ocean. Drug trafficking organizations transporting cocaine from Colombia use Guatemalan ports to off-load their vessels, as other groups load vessels with drugs en route to Europe and the United States. These shipments normally are destined for major ports in Mexico and U.S. ports along the Gulf of Mexico.

CULTIVATION/ERADICATION

Limited opium poppy cultivation occurs in the departments (Guatemalan administrative divisions) of San Marcos and Huehuetenango in western Guatemala. Opium poppies are cultivated in small plots, usually less than one-fifth of a hectare, and are interplanted with legitimate crops such as corn and other food crops. This practice, along with the location of opium poppy fields in steep mountain ravines, serves to camouflage the opium poppy and impedes aerial eradication efforts. During 2000, Guatemalan law enforcement eradicated only a single hectare of opium poppy plants.

While there has been no recent aerial reconnaissance to evaluate opium poppy growing areas, law enforcement agencies working in Guatemala estimate that opium cultivation is quite low compared to the early 1990s, when Guatemala was considered a major opium producing country. Between 1990 and 1996, aerial eradication operations reduced the opium crop from a high of over 2,500 hectares in 1991 to a few isolated patches after 1996. However, Guatemalan law enforcement agencies are concerned that South American efforts to eradicate opium production in the Andean region during the late 1990s will encourage growers outside the Andean region to resume large-scale opium production. Guatemala presently is particularly vulnerable because of its limited resources to conduct aerial eradication, as well as current internal problems within law enforcement and military institutions.

Cannabis cultivation continues to be a problem in the northern jungle areas in Guatemala, especially in the Peten Department along the border with Belize and Mexico. Widespread deforestation of the former jungle has made the area available for illicit cultivation. Guatemalan law enforcement officials located and destroyed 32 hectares of cannabis plants in 2000.

Marijuana production along the Guatemala–Belize border contributed to increased tensions between the two governments over border issues. Guatemalan farmers frequently cross illegally into Belize to plant both food crops and cannabis. During 2000, the Belize Defense Force and the Belize Police Department evicted Guatemalans from their plots on the Belize side of the border, which in some cases resulted in armed confrontations between Guatemalan nationals and Belizean officials. At least two Guatemalans were killed confronting Belizean law enforcement during 2000. Guatemalan press coverage of the incidents was extensive, and bilateral cooperation between Belize and Guatemala suffered as a result.

CHEMICALS/PROCESSING

Drug trafficking organizations use Guatemala to transship controlled chemicals used in processing methamphetamine in Mexico. The inadequately guarded Guatemala–Mexico border facilitates the movement of large quantities of chemicals from Guatemala to Mexico, where diverted chemicals are transported by vehicles along major roads and rivers that cross the border.

Guatemala is a significant importer of ephedrine, a substance legitimately used for pharmaceutical, veterinarian, and cosmetic purposes; however, it also is a precursor chemical used in the illegal manufacturing of methamphetamine. The legitimate estimated needs of Guatemalan pharmaceutical firms range from 500 to 1500 kilograms of ephedrine per year. Large quantities of ephedrine are being diverted by Guatemalan drug trafficking organizations for use in clandestine methamphetamine laboratories in the United States and Mexico. From 1993 to 1995, over 12 metric tons of ephedrine were imported into Guatemala, 4 metric tons more than what was required to meet its legitimate ephedrine needs.

The Guatemalan Government has taken steps to control the diversion of ephedrine and other essential chemicals. The Guatemalan Government completed proposed legislation to control and prevent the use and traffic of precursor chemicals during the first months of 1998. The law would authorize the Ministry of Health to regulate the production, importation, marketing, and distribution of controlled chemicals. This legislation, used in conjunction with properly trained investigators, would help curtail the diversion of controlled chemicals in Guatemala. While the Guatemalan Government has legislation identifying 46 precursor chemicals, they have yet to pass the implementing regulations that would make the legislation useful for enforcement and prosecution purposes. Nonetheless, the Guatemalan Government was successful in making one precursor chemical seizure using the Precursor Chemical Provisions provided for in the 1988 United Nations (UN) Drug Convention. The U.S. Drug Enforcement Administration (DEA) continues to work closely with the Guatemalan National Anti-Narcotics Police (DOAN) to promote legislation to help law enforcement curb the diversion of precursor chemicals.

Information obtained from the Guatemalan health sector indicates an increase of pharmaceutical companies operating and producing medicines in the country. Most of the pharmaceutical companies operating in Guatemala are Colombian companies and operate without adequate government supervision and control.

DRUG TRAFFICKING THREAT

Cocaine seizures in Guatemala fell to 1.4 tons of cocaine during 2000, from a level of over 10 metric tons during 1999. The reduced seizure total resulted from internal problems facing Guatemalan law enforcement agencies due to changing administrations, as well as changed drug trafficking routes and methods (most notably, the reduction in the size of cocaine loads shipped along the Pan-American Highway and increased maritime shipments). The decline in cocaine seizures is not believed to reflect a decline in cocaine trafficking through Guatemala.

Guatemala is the preferred Central American location for storage and consolidation of cocaine loads en route to the United States and Europe. An estimated 300 to 400 metric tons of cocaine are shipped annually through the Central American corridor to Mexico and on to the United States. Drug traffickers exploit Guatemala's well-established transportation facilities, as well as its central location between South America and the United States, to facilitate air, maritime, and overland drug smuggling. Guatemala's topography and its agriculture-based economy afford hundreds of isolated landing strips for smuggling via aircraft. Maritime ports on both coasts and a good network of internal roads also contribute to traffickers' ability to transport drugs into and through Guatemala. Drug trafficking organizations take advantage of the immense volume of legitimate cargo that moves through Guatemalan ports to secrete drugs in cargo containers or to move drugs in large trucks. Once drug shipments have entered Guatemala, traffickers move the drugs either overland or by maritime means to Mexico and then on to the United States. Drug traffickers transporting cocaine shipments originating from Colombian ports and San Andres Island, continue to use the Puerto Barrios port region, located on Guatemala's Caribbean coast. Colombian drug trafficking organizations working with Guatemalan organizations use go-fast boats to transport cocaine to Guatemala's mainland. The drugs are either off-loaded in Guatemala, or the boats are refueled and continue on to other coastal destinations along the coasts of Belize, Mexico, or the United States. If the shipment is off-loaded in Guatemala, it either can be transshipped through Mexico by land or by maritime vessels to its final destination.



The DOAN made several significant cocaine seizures during 2000, despite the reduced seizure totals for the year. In contrast to prior years, no significant seizures were made from tractor-trailer trucks transiting the Pan-American Highway. The largest seizure for 2000, 797 kilograms on April 27, was from a maritime transporter. DOAN officers conducted a search of suspect transformers located in a container in the Port of Santo Tomas de Castillo, which had arrived from Medellin, Colombia. The importer was associated with drug shipments in the past and caused DOAN to inspect the transformers for suspicious compartments. During the inspection, DOAN agents located 797 kilogram-sized packages inside the transformers.

Various types of aircraft (especially small, fixed-wing aircraft) also are used to smuggle drugs into Guatemala. The drugs normally are off-loaded from small aircraft in Guatemala, stored in stash sites, and then sent into Mexico both overland and by river. A 214-kilogram cocaine seizure from an aircraft took place in Guatemala on March 20, 2000. However, this seizure was significant because it was the first cocaine seizure in Central America from a fiberglass Velocity kit-built aircraft. The Velocity was registered in Mexico, indicating the involvement of a Mexican drug trafficking organization.

Well-organized trafficking groups also use couriers to smuggle kilogram-quantities of heroin and cocaine on commercial aircraft through the La Aurora International Airport located in Guatemala City. Couriers ingest capsules containing heroin and also use carry-on luggage with cocaine or heroin concealed in personal items. Couriers only carry a small shipment of heroin or cocaine at a time (usually less than 2 kilograms of heroin or less than 3 kilograms of cocaine).

A heroin pellet processing facility seized in Guatemala City on December 8, provided direct evidence that heroin trafficking groups are pressing heroin into pellets for couriers to transport from Guatemala to the United States. The capture of the heroin capsule press and a large quantity of supplies, including used wrapping for kilogram packages of heroin and material for making the pellets themselves, indicated that heroin pellets are being prepared in large quantities in Guatemala instead of the source zone in Colombia. Preparing heroin pellets in Guatemala eliminates the risk that couriers will be caught by DOAN upon entering Guatemalan airports.

DRUG ABUSE

The Government of Guatemala continues to be concerned about drug abuse among the general population. Colombian traffickers frequently pay Guatemalan traffickers for their logistical support in drugs instead of money. The drugs are in turn sold domestically. Guatemalan law enforcement officials see internal illicit drug abuse as a serious problem that could undermine Guatemalan society. The use of crack cocaine by people in the lower and middle economic sectors, is increasing at an alarming rate. Inhalant abuse among youths of the lower economic sector continues at a high rate. A study conducted by Guatemala's National Drug Coordination Office confirmed that drug use is on the rise with most age groups, with increased cocaine use as the leader.

Increasing crack cocaine abuse in Guatemala received significant media attention during 1999 and 2000. Crack cocaine abuse among urban youths rose sharply in 1999 and 2000, in a pattern which closely resembled the rise of crack cocaine abuse in urban centers in the United States in the mid 1980s. Guatemalans believe that crack cocaine use is a significant factor in the increase of violent crime in urban areas. Guatemalan law enforcement agencies seized a total of 9 kilograms of crack during 2000, an increase from 3 kilograms of crack seized during 1999. Prior to 1999, crack cocaine seizures were negligible.

MONEY LAUNDERING

Drug traffickers and other criminal elements use Guatemala's financial institutions for laundering or holding money. There are no effective financial controls in Guatemala to prevent money laundering. Currency exchange houses are not considered financial institutions under Guatemalan law, and are operated legally without any government control. With a well-developed financial system, large amounts of legally unaccountable funds funnel through financial institutions that operate with little effective government control. Also, the introduction and movement of currency between Guatemala, the United States, and offshore banks is easily accomplished. Money laundering legislation faces an uphill battle for passage because the methods used to launder money are the same as the methods used to evade the payment of the Guatemalan income tax. Bank secrecy also impedes the development of effective enforcement actions against money launderers.

Guatemala has yet to pass any money laundering legislation due to major resistance from the banking sector and other financial interests. The banking sector has very strict secrecy rules and allows the use of bearer shares. Money laundering appeared to be on the rise in Guatemala during

2000, even though the Guatemalan Government ratified the Central American Convention for the Prevention of Money Laundering and Related Crimes during November of that year. However, the Guatemalan Government did not pass needed legislation to make the Convention workable.

PRICES

Wholesale prices for marijuana paid to farmers in Guatemala averaged from US\$35 to US\$50 per pound. The cost of cocaine being transported through Guatemala ranged from US\$5,000 per kilogram to US\$7,000 per kilogram in 1999, for a level of purity that ranged from 80 to 90 percent. Opium gum sold for approximately US\$1,009 per pound and approximately US\$61 per ounce. There have been no major changes in drug prices over the past few years.

COUNTERDRUG OPERATIONS

In July 1997, the Guatemalan Government restructured its police agencies by abolishing the Guatemalan National Police and Treasury Police and establishing a new agency, the Civil National Police Force (PNC). The PNC has its own director and operates a special Anti-Narcotic Task Force that employs over 3,000 police officers. The Anti-Narcotic Task Force consists of elements from the former Guatemalan Treasury Police and the former Guatemalan National Police. The Task Force concentrates on specialized counterdrug situations such as surveillance, undercover cases, and controlled deliveries. As part of the reorganization, the PNC's DOAN retrained and increased the pay of its officers. Currently, the DOAN is the leading agency for the eradication of cannabis and opium poppies and for all other national and international counterdrug investigations. The PNC deals primarily in the investigation of street-level drug dealers and all other internal consumption of illegal drugs.

LEGISLATION, TREATIES, CONVENTIONS

In November 2000, Guatemala ratified the Central American Convention for the Prevention of Money Laundering and Related Crimes. While this convention is not useful without proper antimoney laundering implementing legislation, it is an indication that Guatemala is becoming more aware of the need to pass such legislation. As in 2000, the DEA will continue its dialogue with the Guatemalan Government concerning money laundering legislation and enforcement law. DEA will initiate more dialogue in an attempt to gain a foothold with incoming government policy makers.

In 2000, Guatemala signed three distinct Letters of Agreement with the U.S. Government on counternarcotics and demand reduction. Guatemala is a signatory to the 1988 Vienna Convention.

CONCLUSIONS/PROJECTIONS

Cocaine transshipment through Guatemala by land, sea, and air will continue to be an important factor in drug smuggling between South America and the United States. Air transshipment of cocaine increased during 1999 and 2000 and will persist as long as there are inadequate air interdiction assets. The use of commercial containers, both on land and through the ports, will continue to be the preferred method of smuggling drugs through Guatemala. Some opium poppy cultivation will continue in the remote highlands and may increase due to the limited aerial reconnaissance and sporadic aerial eradication. Cannabis cultivation also will continue, and could become a serious problem if not controlled by periodic eradication measures.

Domestic cocaine abuse will continue to increase as traffickers pay local traffickers with cocaine instead of cash for transportation services (thereby supplying cocaine for the domestic market). The increase in cocaine availability and consumption will bring a resulting rise in crime, and will continue to strain Guatemala's limited police resources.

A new highway that will reduce travel time between Guatemala City and Peten from 18 hours to 7 hours was opened in the Peten Department on January 7, 2000. The new highway also is expected to bring economic development to Peten. In addition, the new highway will link cocaine trafficking sites in the Puerto Barrios/Lake Izabal area with the Yucatan Peninsula in Mexico, and will provide drug traffickers moving shipments in tractor-trailers and other vehicles with an alternative to using the Pan-American Highway along the Pacific coast of Guatemala.

This report was prepared by the Mexico/Central America Unit of the Office of International Enforcement Support. Comments and requests for copies are welcome and may be directed to the Intelligence Production Unit, Intelligence Division, DEA Headquarters, at (202) 307-8726.